

1 AN ACT concerning taxation.

2 Be it enacted by the People of the State of Illinois,  
3 represented in the General Assembly:

4 Section 5. The Property Tax Code is amended by changing  
5 Sections 18-55, 18-101.5, 18-185, and 18-190 and by adding  
6 Section 18-52 as follows:

7 (35 ILCS 200/18-52 new)

8 Sec. 18-52. Supplemental levy to reimburse revenue lost  
9 due to tax refund. If, as a result of an assessment  
10 reduction by either the Property Tax Appeal Board or a court,  
11 a taxing district is required to refund a portion of the  
12 property tax revenue distributed to that taxing district,  
13 then the taxing district may, without referendum, adopt a  
14 supplemental tax levy. The supplemental levy shall not  
15 exceed the amount of the refund and shall not exceed the  
16 maximum rate of taxes that the taxing district is authorized  
17 by law to levy for the fiscal year to which the increase  
18 applies. For purposes of the Property Tax Extension  
19 Limitation Law, the taxing district's aggregate extension  
20 base does not include the supplemental levy authorized under  
21 this Section.

22 (35 ILCS 200/18-55)

23 Sec. 18-55. Short title and definitions. This Division  
24 2 may be cited as the Truth in Taxation Law. As used in this  
25 Division 2:

26 (a) "Taxing district" has the meaning specified in  
27 Section 1-150 and includes home rule units, but from January  
28 1, 2000 through December 31, 2002 does not include taxing  
29 districts that have territory in Cook County.

30 (b) "Aggregate levy" means the annual corporate levy of

1 the taxing district and those special purpose levies which  
2 are made annually (other than debt service levies and levies  
3 made for the purpose of paying amounts due under public  
4 building commission leases).

5 (c) "Special purpose levies" include, but are not  
6 limited to, levies made on an annual basis for contributions  
7 to pension plans, unemployment and worker's compensation, or  
8 self-insurance "Special purpose levies" do not include  
9 supplemental levies authorized under Section 18-52.

10 (d) "Debt service" means levies made by any taxing  
11 district pursuant to home rule authority, statute,  
12 referendum, ordinance, resolution, indenture, agreement, or  
13 contract to retire the principal or pay interest on bonds,  
14 notes, debentures or other financial instruments which  
15 evidence indebtedness.

16 (Source: P.A. 91-357, eff. 7-29-99; 91-523, eff. 1-1-00.)

17 (35 ILCS 200/18-101.5)

18 (Section scheduled to be repealed on January 1, 2003)

19 Sec. 18-101.5. Definitions. As used in this Division  
20 2.1:

21 "Aggregate levy" or "levy" means the annual corporate  
22 levy of the taxing district and those special purpose levies  
23 which are made annually (other than debt service levies and  
24 levies made for the purpose of paying amounts due under  
25 public building commission leases).

26 "Debt service" means levies made by a taxing district  
27 pursuant to home rule authority, statute, referendum,  
28 ordinance, resolution, indenture, agreement, or contract to  
29 retire the principal or pay interest on bonds, notes,  
30 debentures, or other financial instruments that evidence  
31 indebtedness.

32 "Special purpose levies" include, but are not limited to,  
33 levies made on an annual basis for contributions to pension

1 plans, unemployment and workers' compensation, or  
2 self-insurance. "Special purpose levies" do not include  
3 supplemental levies authorized under Section 18-52.

4 "Taxing district" means any unit of local government,  
5 including a home rule unit, school district, or community  
6 college district with the power to levy taxes on territory in  
7 Cook County.

8 (Source: P.A. 91-523, eff. 1-1-00.)

9 (35 ILCS 200/18-185)

10 Sec. 18-185. Short title; definitions. This Division 5  
11 may be cited as the Property Tax Extension Limitation Law.  
12 As used in this Division 5:

13 "Consumer Price Index" means the Consumer Price Index for  
14 All Urban Consumers for all items published by the United  
15 States Department of Labor.

16 "Extension limitation" means (a) the lesser of 5% or the  
17 percentage increase in the Consumer Price Index during the  
18 12-month calendar year preceding the levy year or (b) the  
19 rate of increase approved by voters under Section 18-205.

20 "Affected county" means a county of 3,000,000 or more  
21 inhabitants or a county contiguous to a county of 3,000,000  
22 or more inhabitants.

23 "Taxing district" has the same meaning provided in  
24 Section 1-150, except as otherwise provided in this Section.  
25 For the 1991 through 1994 levy years only, "taxing district"  
26 includes only each non-home rule taxing district having the  
27 majority of its 1990 equalized assessed value within any  
28 county or counties contiguous to a county with 3,000,000 or  
29 more inhabitants. Beginning with the 1995 levy year, "taxing  
30 district" includes only each non-home rule taxing district  
31 subject to this Law before the 1995 levy year and each  
32 non-home rule taxing district not subject to this Law before  
33 the 1995 levy year having the majority of its 1994 equalized

1 assessed value in an affected county or counties. Beginning  
2 with the levy year in which this Law becomes applicable to a  
3 taxing district as provided in Section 18-213, "taxing  
4 district" also includes those taxing districts made subject  
5 to this Law as provided in Section 18-213.

6 "Aggregate extension" for taxing districts to which this  
7 Law applied before the 1995 levy year means the annual  
8 corporate extension for the taxing district and those special  
9 purpose extensions that are made annually for the taxing  
10 district, excluding special purpose extensions: (a) made for  
11 the taxing district to pay interest or principal on general  
12 obligation bonds that were approved by referendum; (b) made  
13 for any taxing district to pay interest or principal on  
14 general obligation bonds issued before October 1, 1991; (c)  
15 made for any taxing district to pay interest or principal on  
16 bonds issued to refund or continue to refund those bonds  
17 issued before October 1, 1991; (d) made for any taxing  
18 district to pay interest or principal on bonds issued to  
19 refund or continue to refund bonds issued after October 1,  
20 1991 that were approved by referendum; (e) made for any  
21 taxing district to pay interest or principal on revenue bonds  
22 issued before October 1, 1991 for payment of which a property  
23 tax levy or the full faith and credit of the unit of local  
24 government is pledged; however, a tax for the payment of  
25 interest or principal on those bonds shall be made only after  
26 the governing body of the unit of local government finds that  
27 all other sources for payment are insufficient to make those  
28 payments; (f) made for payments under a building commission  
29 lease when the lease payments are for the retirement of bonds  
30 issued by the commission before October 1, 1991, to pay for  
31 the building project; (g) made for payments due under  
32 installment contracts entered into before October 1, 1991;  
33 (h) made for payments of principal and interest on bonds  
34 issued under the Metropolitan Water Reclamation District Act

1 to finance construction projects initiated before October 1,  
2 1991; (i) made for payments of principal and interest on  
3 limited bonds, as defined in Section 3 of the Local  
4 Government Debt Reform Act, in an amount not to exceed the  
5 debt service extension base less the amount in items (b),  
6 (c), (e), and (h) of this definition for non-referendum  
7 obligations, except obligations initially issued pursuant to  
8 referendum; (j) made for payments of principal and interest  
9 on bonds issued under Section 15 of the Local Government Debt  
10 Reform Act; and (k) made by a school district that  
11 participates in the Special Education District of Lake  
12 County, created by special education joint agreement under  
13 Section 10-22.31 of the School Code, for payment of the  
14 school district's share of the amounts required to be  
15 contributed by the Special Education District of Lake County  
16 to the Illinois Municipal Retirement Fund under Article 7 of  
17 the Illinois Pension Code; the amount of any extension under  
18 this item (k) shall be certified by the school district to  
19 the county clerk; and (l) made by a taxing district under  
20 Section 18-52.

21 "Aggregate extension" for the taxing districts to which  
22 this Law did not apply before the 1995 levy year (except  
23 taxing districts subject to this Law in accordance with  
24 Section 18-213) means the annual corporate extension for the  
25 taxing district and those special purpose extensions that are  
26 made annually for the taxing district, excluding special  
27 purpose extensions: (a) made for the taxing district to pay  
28 interest or principal on general obligation bonds that were  
29 approved by referendum; (b) made for any taxing district to  
30 pay interest or principal on general obligation bonds issued  
31 before March 1, 1995; (c) made for any taxing district to pay  
32 interest or principal on bonds issued to refund or continue  
33 to refund those bonds issued before March 1, 1995; (d) made  
34 for any taxing district to pay interest or principal on bonds

1 issued to refund or continue to refund bonds issued after  
2 March 1, 1995 that were approved by referendum; (e) made for  
3 any taxing district to pay interest or principal on revenue  
4 bonds issued before March 1, 1995 for payment of which a  
5 property tax levy or the full faith and credit of the unit of  
6 local government is pledged; however, a tax for the payment  
7 of interest or principal on those bonds shall be made only  
8 after the governing body of the unit of local government  
9 finds that all other sources for payment are insufficient to  
10 make those payments; (f) made for payments under a building  
11 commission lease when the lease payments are for the  
12 retirement of bonds issued by the commission before March 1,  
13 1995 to pay for the building project; (g) made for payments  
14 due under installment contracts entered into before March 1,  
15 1995; (h) made for payments of principal and interest on  
16 bonds issued under the Metropolitan Water Reclamation  
17 District Act to finance construction projects initiated  
18 before October 1, 1991; (i) made for payments of principal  
19 and interest on limited bonds, as defined in Section 3 of the  
20 Local Government Debt Reform Act, in an amount not to exceed  
21 the debt service extension base less the amount in items (b),  
22 (c), and (e) of this definition for non-referendum  
23 obligations, except obligations initially issued pursuant to  
24 referendum and bonds described in subsection (h) of this  
25 definition; (j) made for payments of principal and interest  
26 on bonds issued under Section 15 of the Local Government Debt  
27 Reform Act; (k) made for payments of principal and interest  
28 on bonds authorized by Public Act 88-503 and issued under  
29 Section 20a of the Chicago Park District Act for aquarium or  
30 museum projects; and (l) made for payments of principal and  
31 interest on bonds authorized by Public Act 87-1191 and issued  
32 under Section 42 of the Cook County Forest Preserve District  
33 Act for zoological park projects; and (m) made by a taxing  
34 district under Section 18-52.

1 "Aggregate extension" for all taxing districts to which  
2 this Law applies in accordance with Section 18-213, except  
3 for those taxing districts subject to paragraph (2) of  
4 subsection (e) of Section 18-213, means the annual corporate  
5 extension for the taxing district and those special purpose  
6 extensions that are made annually for the taxing district,  
7 excluding special purpose extensions: (a) made for the taxing  
8 district to pay interest or principal on general obligation  
9 bonds that were approved by referendum; (b) made for any  
10 taxing district to pay interest or principal on general  
11 obligation bonds issued before the date on which the  
12 referendum making this Law applicable to the taxing district  
13 is held; (c) made for any taxing district to pay interest or  
14 principal on bonds issued to refund or continue to refund  
15 those bonds issued before the date on which the referendum  
16 making this Law applicable to the taxing district is held;  
17 (d) made for any taxing district to pay interest or principal  
18 on bonds issued to refund or continue to refund bonds issued  
19 after the date on which the referendum making this Law  
20 applicable to the taxing district is held if the bonds were  
21 approved by referendum after the date on which the referendum  
22 making this Law applicable to the taxing district is held;  
23 (e) made for any taxing district to pay interest or principal  
24 on revenue bonds issued before the date on which the  
25 referendum making this Law applicable to the taxing district  
26 is held for payment of which a property tax levy or the full  
27 faith and credit of the unit of local government is pledged;  
28 however, a tax for the payment of interest or principal on  
29 those bonds shall be made only after the governing body of  
30 the unit of local government finds that all other sources for  
31 payment are insufficient to make those payments; (f) made for  
32 payments under a building commission lease when the lease  
33 payments are for the retirement of bonds issued by the  
34 commission before the date on which the referendum making

1 this Law applicable to the taxing district is held to pay for  
2 the building project; (g) made for payments due under  
3 installment contracts entered into before the date on which  
4 the referendum making this Law applicable to the taxing  
5 district is held; (h) made for payments of principal and  
6 interest on limited bonds, as defined in Section 3 of the  
7 Local Government Debt Reform Act, in an amount not to exceed  
8 the debt service extension base less the amount in items (b),  
9 (c), and (e) of this definition for non-referendum  
10 obligations, except obligations initially issued pursuant to  
11 referendum; (i) made for payments of principal and interest  
12 on bonds issued under Section 15 of the Local Government Debt  
13 Reform Act; and (j) made for a qualified airport authority to  
14 pay interest or principal on general obligation bonds issued  
15 for the purpose of paying obligations due under, or financing  
16 airport facilities required to be acquired, constructed,  
17 installed or equipped pursuant to, contracts entered into  
18 before March 1, 1996 (but not including any amendments to  
19 such a contract taking effect on or after that date); and (k)  
20 made by a taxing district under Section 18-52.

21 "Aggregate extension" for all taxing districts to which  
22 this Law applies in accordance with paragraph (2) of  
23 subsection (e) of Section 18-213 means the annual corporate  
24 extension for the taxing district and those special purpose  
25 extensions that are made annually for the taxing district,  
26 excluding special purpose extensions: (a) made for the taxing  
27 district to pay interest or principal on general obligation  
28 bonds that were approved by referendum; (b) made for any  
29 taxing district to pay interest or principal on general  
30 obligation bonds issued before the effective date of this  
31 amendatory Act of 1997; (c) made for any taxing district to  
32 pay interest or principal on bonds issued to refund or  
33 continue to refund those bonds issued before the effective  
34 date of this amendatory Act of 1997; (d) made for any taxing

1 district to pay interest or principal on bonds issued to  
2 refund or continue to refund bonds issued after the effective  
3 date of this amendatory Act of 1997 if the bonds were  
4 approved by referendum after the effective date of this  
5 amendatory Act of 1997; (e) made for any taxing district to  
6 pay interest or principal on revenue bonds issued before the  
7 effective date of this amendatory Act of 1997 for payment of  
8 which a property tax levy or the full faith and credit of the  
9 unit of local government is pledged; however, a tax for the  
10 payment of interest or principal on those bonds shall be made  
11 only after the governing body of the unit of local government  
12 finds that all other sources for payment are insufficient to  
13 make those payments; (f) made for payments under a building  
14 commission lease when the lease payments are for the  
15 retirement of bonds issued by the commission before the  
16 effective date of this amendatory Act of 1997 to pay for the  
17 building project; (g) made for payments due under installment  
18 contracts entered into before the effective date of this  
19 amendatory Act of 1997; (h) made for payments of principal  
20 and interest on limited bonds, as defined in Section 3 of the  
21 Local Government Debt Reform Act, in an amount not to exceed  
22 the debt service extension base less the amount in items (b),  
23 (c), and (e) of this definition for non-referendum  
24 obligations, except obligations initially issued pursuant to  
25 referendum; (i) made for payments of principal and interest  
26 on bonds issued under Section 15 of the Local Government Debt  
27 Reform Act; and (j) made for a qualified airport authority to  
28 pay interest or principal on general obligation bonds issued  
29 for the purpose of paying obligations due under, or financing  
30 airport facilities required to be acquired, constructed,  
31 installed or equipped pursuant to, contracts entered into  
32 before March 1, 1996 (but not including any amendments to  
33 such a contract taking effect on or after that date); and (k)  
34 made by a taxing district under Section 18-52.

1 "Debt service extension base" means an amount equal to  
2 that portion of the extension for a taxing district for the  
3 1994 levy year, or for those taxing districts subject to this  
4 Law in accordance with Section 18-213, except for those  
5 subject to paragraph (2) of subsection (e) of Section 18-213,  
6 for the levy year in which the referendum making this Law  
7 applicable to the taxing district is held, or for those  
8 taxing districts subject to this Law in accordance with  
9 paragraph (2) of subsection (e) of Section 18-213 for the  
10 1996 levy year, constituting an extension for payment of  
11 principal and interest on bonds issued by the taxing district  
12 without referendum, but not including (i) bonds authorized by  
13 Public Act 88-503 and issued under Section 20a of the Chicago  
14 Park District Act for aquarium and museum projects; (ii)  
15 bonds issued under Section 15 of the Local Government Debt  
16 Reform Act; or (iii) refunding obligations issued to refund  
17 or to continue to refund obligations initially issued  
18 pursuant to referendum. The debt service extension base may  
19 be established or increased as provided under Section 18-212.

20 "Special purpose extensions" include, but are not limited  
21 to, extensions for levies made on an annual basis for  
22 unemployment and workers' compensation, self-insurance,  
23 contributions to pension plans, and extensions made pursuant  
24 to Section 6-601 of the Illinois Highway Code for a road  
25 district's permanent road fund whether levied annually or  
26 not. The extension for a special service area is not  
27 included in the aggregate extension.

28 "Aggregate extension base" means the taxing district's  
29 last preceding aggregate extension as adjusted under Sections  
30 18-215 through 18-230.

31 "Levy year" has the same meaning as "year" under Section  
32 1-155.

33 "New property" means (i) the assessed value, after final  
34 board of review or board of appeals action, of new

1 improvements or additions to existing improvements on any  
2 parcel of real property that increase the assessed value of  
3 that real property during the levy year multiplied by the  
4 equalization factor issued by the Department under Section  
5 17-30 and (ii) the assessed value, after final board of  
6 review or board of appeals action, of real property not  
7 exempt from real estate taxation, which real property was  
8 exempt from real estate taxation for any portion of the  
9 immediately preceding levy year, multiplied by the  
10 equalization factor issued by the Department under Section  
11 17-30. In addition, the county clerk in a county containing  
12 a population of 3,000,000 or more shall include in the 1997  
13 recovered tax increment value for any school district, any  
14 recovered tax increment value that was applicable to the 1995  
15 tax year calculations.

16 "Qualified airport authority" means an airport authority  
17 organized under the Airport Authorities Act and located in a  
18 county bordering on the State of Wisconsin and having a  
19 population in excess of 200,000 and not greater than 500,000.

20 "Recovered tax increment value" means, except as  
21 otherwise provided in this paragraph, the amount of the  
22 current year's equalized assessed value, in the first year  
23 after a municipality terminates the designation of an area as  
24 a redevelopment project area previously established under the  
25 Tax Increment Allocation Development Act in the Illinois  
26 Municipal Code, previously established under the Industrial  
27 Jobs Recovery Law in the Illinois Municipal Code, or  
28 previously established under the Economic Development Area  
29 Tax Increment Allocation Act, of each taxable lot, block,  
30 tract, or parcel of real property in the redevelopment  
31 project area over and above the initial equalized assessed  
32 value of each property in the redevelopment project area.  
33 For the taxes which are extended for the 1997 levy year, the  
34 recovered tax increment value for a non-home rule taxing

1 district that first became subject to this Law for the 1995  
2 levy year because a majority of its 1994 equalized assessed  
3 value was in an affected county or counties shall be  
4 increased if a municipality terminated the designation of an  
5 area in 1993 as a redevelopment project area previously  
6 established under the Tax Increment Allocation Development  
7 Act in the Illinois Municipal Code, previously established  
8 under the Industrial Jobs Recovery Law in the Illinois  
9 Municipal Code, or previously established under the Economic  
10 Development Area Tax Increment Allocation Act, by an amount  
11 equal to the 1994 equalized assessed value of each taxable  
12 lot, block, tract, or parcel of real property in the  
13 redevelopment project area over and above the initial  
14 equalized assessed value of each property in the  
15 redevelopment project area. In the first year after a  
16 municipality removes a taxable lot, block, tract, or parcel  
17 of real property from a redevelopment project area  
18 established under the Tax Increment Allocation Development  
19 Act in the Illinois Municipal Code, the Industrial Jobs  
20 Recovery Law in the Illinois Municipal Code, or the Economic  
21 Development Area Tax Increment Allocation Act, "recovered tax  
22 increment value" means the amount of the current year's  
23 equalized assessed value of each taxable lot, block, tract,  
24 or parcel of real property removed from the redevelopment  
25 project area over and above the initial equalized assessed  
26 value of that real property before removal from the  
27 redevelopment project area.

28 Except as otherwise provided in this Section, "limiting  
29 rate" means a fraction the numerator of which is the last  
30 preceding aggregate extension base times an amount equal to  
31 one plus the extension limitation defined in this Section and  
32 the denominator of which is the current year's equalized  
33 assessed value of all real property in the territory under  
34 the jurisdiction of the taxing district during the prior levy

1 year. For those taxing districts that reduced their  
2 aggregate extension for the last preceding levy year, the  
3 highest aggregate extension in any of the last 3 preceding  
4 levy years shall be used for the purpose of computing the  
5 limiting rate. The denominator shall not include new  
6 property. The denominator shall not include the recovered  
7 tax increment value.

8 (Source: P.A. 90-485, eff. 1-1-98; 90-511, eff. 8-22-97;  
9 90-568, eff. 1-1-99; 90-616, eff. 7-10-98; 90-655, eff.  
10 7-30-98; 91-357, eff. 7-29-99; 91-478, eff. 11-1-99.)

11 (35 ILCS 200/18-190)

12 Sec. 18-190. Direct referendum; new rate or increased  
13 rate. If a new rate or a rate increase is authorized by  
14 statute to be imposed without referendum or is subject to a  
15 backdoor referendum, as defined in Section 28-2 of the  
16 Election Code, the governing body of the affected taxing  
17 district before levying the new rate or rate increase shall  
18 submit the new rate or rate increase to direct referendum  
19 under the provisions of Article 28 of the Election Code.  
20 Rates required to extend taxes on levies subject to a  
21 backdoor referendum in each year there is a levy are not new  
22 rates or rate increases under this Section if a levy has been  
23 made for the fund in one or more of the preceding 3 levy  
24 years. Changes made by this amendatory Act of 1997 to this  
25 Section in reference to rates required to extend taxes on  
26 levies subject to a backdoor referendum in each year there is  
27 a levy are declarative of existing law and not a new  
28 enactment. Rates required to extend taxes on a supplemental  
29 levy authorized by Section 18-52 are not new rates or rate  
30 increases under this Section. Whenever other applicable law  
31 authorizes a taxing district subject to the limitation with  
32 respect to its aggregate extension provided for in this Law  
33 to issue bonds or other obligations either without referendum

1 or subject to backdoor referendum, the taxing district may  
2 elect for each separate bond issuance to submit the question  
3 of the issuance of the bonds or obligations directly to the  
4 voters of the taxing district, and if the referendum passes  
5 the taxing district is not required to comply with any  
6 backdoor referendum procedures or requirements set forth in  
7 the other applicable law. The direct referendum shall be  
8 initiated by ordinance or resolution of the governing body of  
9 the taxing district, and the question shall be certified to  
10 the proper election authorities in accordance with the  
11 provisions of the Election Code.

12 (Source: P.A. 88-455; 88-670, eff. 12-2-94; 89-385, eff.  
13 8-18-95; 89-718, eff. 3-7-97.)

14 Section 99. Effective date. This Act takes effect upon  
15 becoming law.